

Message Text

CONFIDENTIAL

PAGE 01 JIDDA 04861 130908Z

55

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 /078 W

----- 120180

R 130836Z JUL 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5281

INFO AMCONSUL DHAHRAN

C O N F I D E N T I A L JIDDA 4861

E.O. 11652: GDS

TAGS: EFIN, SA, US

SUBJECT: SAUDI PARTICIPATION IN CAPITAL STRUCTURE OF FOREIGN BANKS

REFS: (A) JIDDA 4133, (B) JIDDA 4071, (C) A-74 OF JUNE 25, 1976

1. MESSRS. CUSAC AND KAYNOR OF CITIBANK CALLED ON ME JULY 12 TO TELL ME THAT BANK HAD RECEIVED LETTER FROM GOVERNOR QURAHISHI OF THE SAUDI ARABIAN MONETARY AGENCY (SAMA) INQUIRING ABOUT CITIBANK'S PLANS TO "TRANSFORM THE FIRST NATIONAL CITY BANK TO A SAUDI BANK COMPANY" IN LINE WITH SAG POLICY.

2. BANK OFFICERS SOUGHT OUR INFORMAL ASSISTANCE IN CONVEYING TO SAUDIS REASONS WHY CITIBANK MANAGEMENT OPPOSES SALE OF MAJORITY OWNERSHIP TO SAUDI PARTICIPANTS. I TOLD THEM I WOULD BE IN TOUCH AND ASKED WHETHER FNCB NEW YORK HAD CONTACTED THE DEPARTMENT. THEY SAID THEIR PEOPLE IN D.C. WILL PROBABLY DO SO. WE WILL DO WHAT WE CAN TO BE OF ASSISTANCE IN PUTTING THEIR VIEWS FORWARD TO SAUDI OFFICIALS AS OCCASION ARISES, BUT MUCH WILL DEPEND ON DETERMINATION OF SAG TO EFFECT THIS "TRANSFORMATION."

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JIDDA 04861 130908Z

3. CUSAK EXPLAINED THAT CITIBANK HAS PROPOSED THE FORMATION OF A SEPARATE BANKING CORPORATION WHICH WOULD BE 60 PERCENT SAUDI, 40 PERCENT FNCB, IN OWNERSHIP AND BANK WOULD PROVIDE MANAGEMENT, LEAVING CITIBANK OPERATION INTACT AND 100 PERCENT U.S. AS NOW. FURTHER, IF SAG AGREED, BANK WOULD "EXPAND" SERVICES IN KINGDOM.

4. CUSAC SAID HE HAD ALREADY RECEIVED INDICATIONS OF INTEREST ON PART OF HIGH LEVEL SAUDIS IN PICKING UP SHARE OF FNCB OPERATION HERE.
PORTER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, COMMERCIAL BANKS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ullricre
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA04861
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760269-0455
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760765/aaaaceym.tel
Line Count: 72
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 JIDDA 4133, 76 JIDDA 4071
Review Action: RELEASED, APPROVED
Review Authority: ullricre
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2004 by GarlanWA>; APPROVED <04 NOV 2004 by ullricre>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SAUDI PARTICIPATION IN CAPITAL STRUCTURE OF FOREIGN BANKS
TAGS: EFIN, SA, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006